New Nouveau Brunswick

Labour Market Information Monthly

October 2011 Edition *Issue 10 Volume 8*

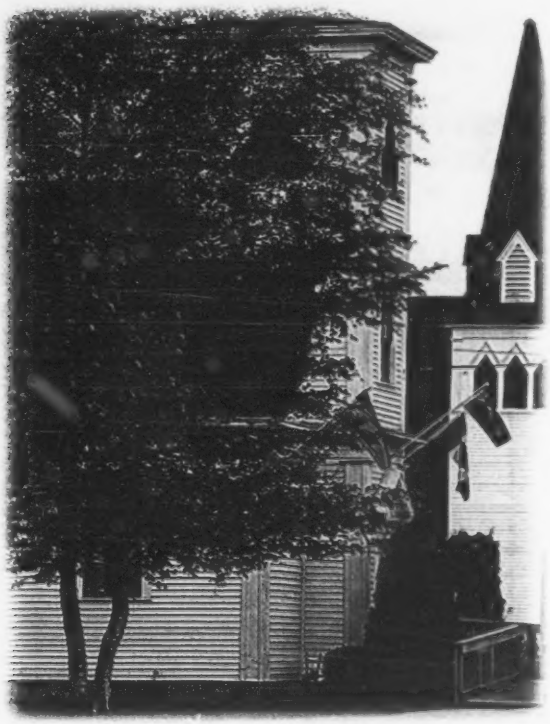
Financial well-being of the self-employed*

Self-employed households in Canada had more than twice the 'wealth,' or household net worth, of paid workers in 2009, and were also more knowledgeable about finances.

Accumulated wealth is an important aspect of the financial situation of the self-employed, notably because their incomes fluctuate more and they are less likely to have pensions or health insurance.

This Month

- Financial well-being of the self-employed
- Key Labour Force Statistics
- The Industry Report



One measure of financial wealth is the household net worth — the difference between household assets and liabilities. The median net worth of the self-employed was $520,000 in 2009, 2.7 times the median of $195,000 for paid employees.

The self-employed reported not only higher levels of business and financial assets, but also higher levels of tangible assets, which include housing-related items and equipment.

The higher median wealth of the self-employed corresponds to their greater concentration near the top of the overall net worth distribution. More than one-half of the self-employed were located in the wealthiest 25% of households, compared with about one-fifth of paid employees.

With greater wealth to manage and less access to employer pension plans than paid workers, the self-employed have greater incentives to become knowledgeable about finances. Accordingly, the self-employed had more correct answers, on average, to a series of questions used to gauge financial capability.

Other indicators of financial well-being suggested fewer differences between paid employees and the self-employed.

As a group, the self-employed had a household median income that amounted to 81% that of paid employees. However, household in-

*** From *The Daily*, September 23, 2011, Statistics Canada.**

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come may not be the optimal financial indicator for the self-employed since they can leave funds in their businesses for reinvestment purposes or as a reserve fund.

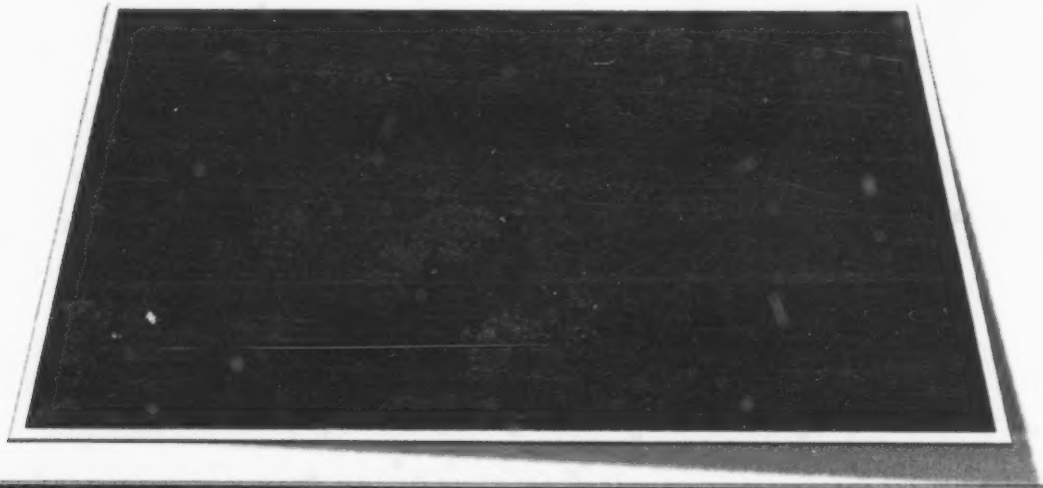
About 74% of the self-employed reported that they were preparing for retirement, compared to 85% of paid employees. Nevertheless, the self-employed were just as likely as paid employees to report that their retirement income would suffice to maintain their current living standard.

Finally, at equal income levels, household spending differed little between paid workers and the self-employed.

In 2010, about 2.7 million Canadians were self-employed in their main job. They accounted for 16% of the workforce. The self-employed range from working owners of large incorporated businesses to part-time service providers.

> **Note:** This article examines differences in income, wealth, retirement preparation, financial knowledge and spending between the self-employed and paid employees. Data are from the Survey of Labour and Income Dynamics, the Survey of Household Spending and the Canadian Financial Capability Survey.
>
> Income, net worth and consumption statistics are reported at the household level.
>
> Self-employed individuals are defined as those working for themselves or working without pay for a family business. In contrast, paid workers can be defined as working for 'others' as they are employed by businesses, governments, organizations, or other people.

The article "The Financial well-being of the self-employed" is now available in the September 2011 online edition of *Perspectives on Labour and Income*, Vol. 23, no. 4 (75-001-X, free), from the *Publications* module of Statistics Canada's website, under the *Key resource* tab.



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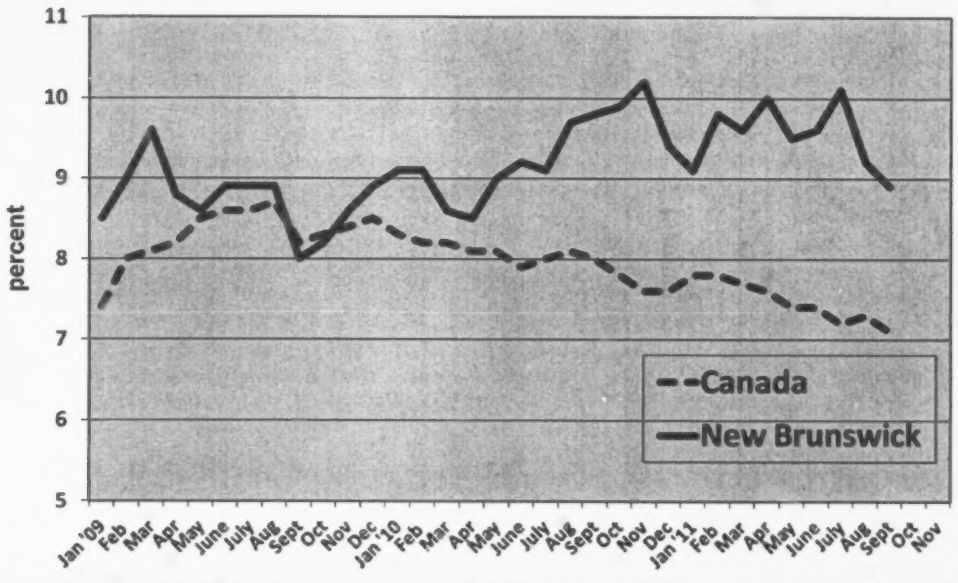
KEY LABOUR FORCE STATISTICS FOR NEW BRUNSWICK (Source: Statistics Canada Labour Force Survey)

New Brunswick	YTD	September '11	August '11	September '10
Labour Force	388,700	387,400	385,700	393,100
Employed	351,700	352,900	350,200	354,600
Unemployed	37,000	34,500	35,500	38,400
Unemployment Rate	9.5%	8.9%	9.2%	9.8%
Participation Rate	62.8%	62.5%	62.2%	63.7%
Employment Rate	56.8%	56.9%	56.5%	57.4%

CANADA COMPARED TO NEW BRUNSWICK

In September, Canada's unemployment rate was 7.1%, 0.2 of a percentage point lower than last month and 0.9 of a percentage point lower than the same month last year. New Brunswick's rate of 8.9% was 0.3 of a percentage point lower than last month and 0.9 of a percentage point lower when compared to the same month last year, when it was 9.8%.

UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA



Source:

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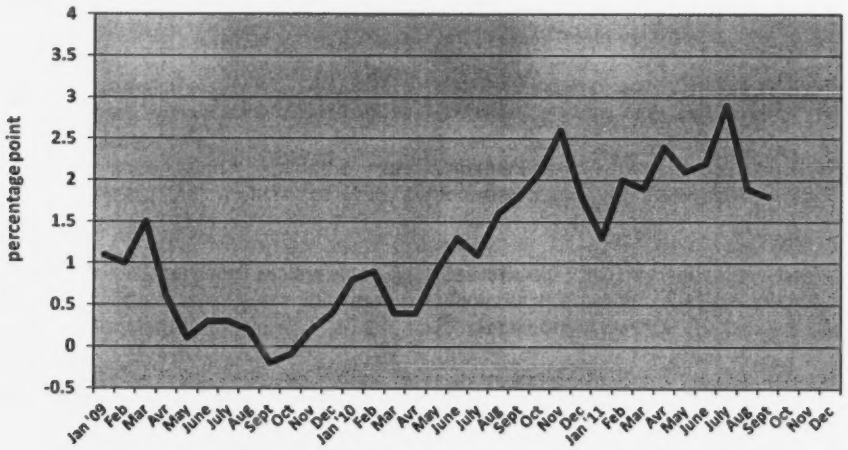
CANADA COMPARED TO NEW BRUNSWICK (continued)

The gap between the national and provincial rates was 1.8 percentage points in September.

DIFFERENCE IN UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA

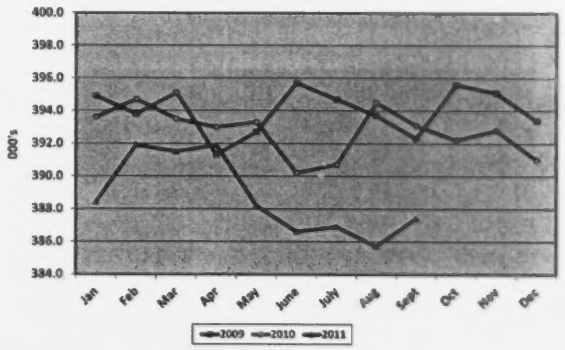


Source: Statistics Canada Labour Force Survey

THE LABOUR FORCE

New Brunswick's labour force was 387,400 in September. This was an increase of 1,700 over the previous month, but a decrease of 5,700 over the same month last year.

THE SIZE OF THE LABOUR FORCE



Source: Statistics Canada Labour Force Survey

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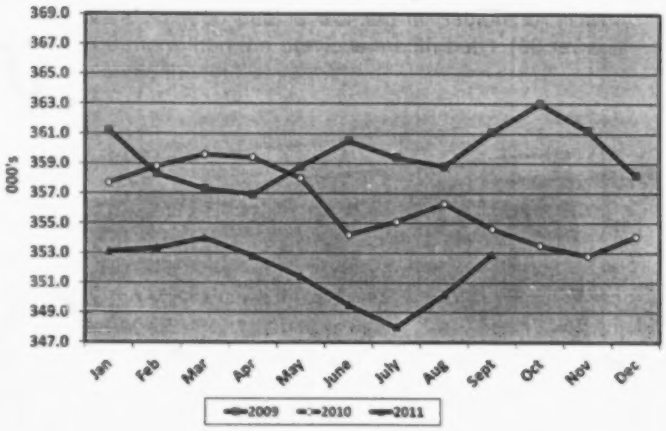
EMPLOYMENT

There were 352,900 people working in September. This was 2,700 more than the previous month but 1,700 fewer than the same month last year.

EMPLOYMENT IN NEW BRUNSWICK

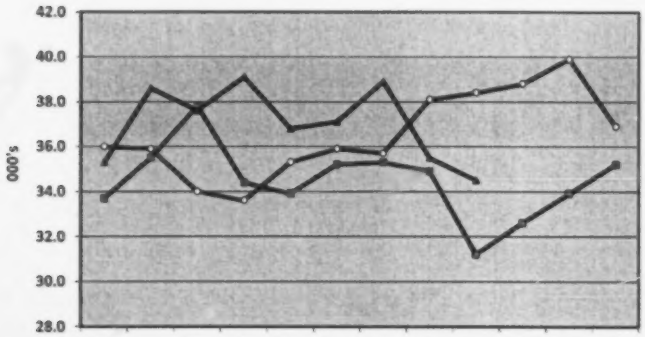


Source: Statistics Canada Labour Force Survey

UNEMPLOYMENT

There were 34,500 people unemployed and seeking work in September. This was 1,000 less than what was recorded the previous month and 3,900 less than the same month last year.

UNEMPLOYMENT IN NEW BRUNSWICK



Source: Statistics Canada Labour Force Survey

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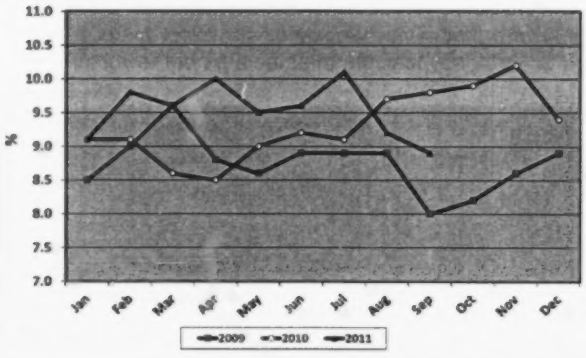
THE UNEMPLOYMENT RATE

New Brunswick's unemployment rate of 8.9% in September was 0.3 of a percentage point lower than the previous month and 0.9 of a percentage point lower than the same month last year.

THE UNEMPLOYMENT RATE IN NEW BRUNSWICK



Source: Statistics Canada Labour Force Survey

THE ECONOMIC REGIONS

Statistics Canada reports labour force statistics for the economic regions as three month moving averages of actual (not seasonally adjusted) data.

	Economic Regions				
September '11	Northeast	Southeast	Southwest	Central	Northwest
Labour Force	75,800	113,700	96,300	71,800	40,400
Employment	64,900	104,700	89,500	66,100	37,000
Unemployment	10,800	9,000	6,800	5,800	3,400
Unemployment Rate	14.2%	7.9%	7.1%	8.1%	8.4%
Participation Rate	58.7%	66.1%	66.7%	65.7%	62.2%

Economic Regions	YTD		September '11		September '10	
	Emp.	UR	Emp.	UR	Emp.	UR
Northeast	60,400	16.7%	**64,900**	**14.2%**	62,500	13.7%
Southeast	101,700	9.2%	**104,700**	**7.9%**	107,300	7.2%
Southwest	87,300	7.3%	**89,500**	**7.1%**	87,300	8.6%
Central	66,300	7.8%	**66,100**	**8.1%**	69,700	6.8%
Northwest	35,000	10.0%	**37,000**	**8.4%**	40,300	10.0%

On a year-over-year basis (September 2011 compared to September 2010), employment increased in the Northeast (+2,400) and Southwest (+2,200) regions while it decreased in the Central (-3,600); Northwest (-3,300); and Southeast (-2,600) economic regions.

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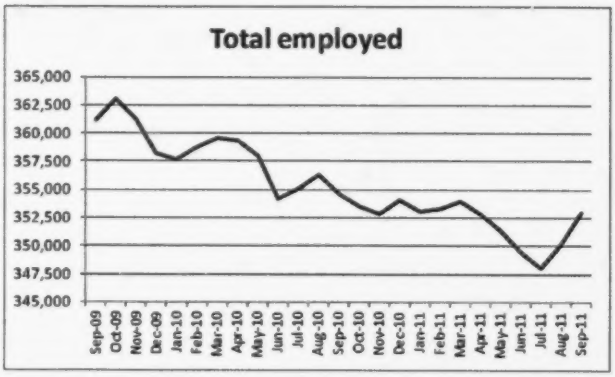
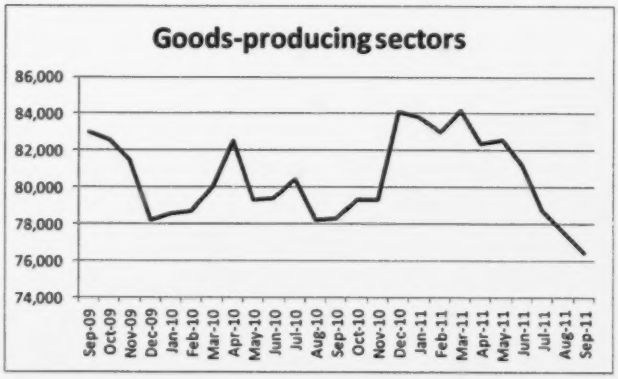
THE INDUSTRY REPORT—October LFS Release for September 2011

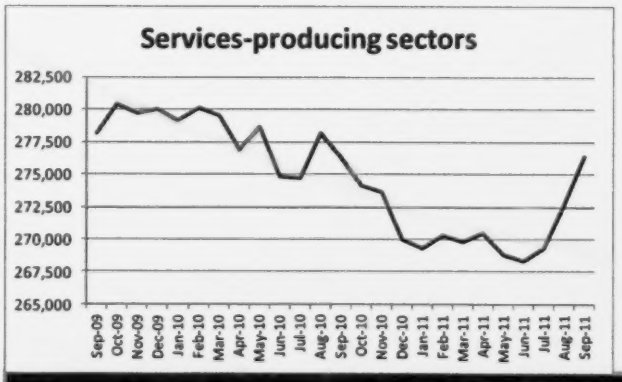


Total employment bottomed out in July 2011 at 348,000; since then, employment has increased by 1.4%, adding 4,900 jobs to the overall economy. In September 2011, total employment was 352,900, which is 10,100 lower than the peak recorded in October 2009 (when employment reached 363,000).



Employment in the **goods-producing sectors*** peaked in March 2011 at 84,200; since then, employment has declined by 9.3%, or 7,800 jobs overall, in these sectors. As of September 2011 there were 76,400 people employed in these sectors.

* The goods-producing sectors in the LFS include all North American Industry Classification System (NAICS) sectors from 11-33. For more information go to: http://www.statcan.gc.ca/subjects-sujets/standard-norme/special/labour2007-travail2007/lfs-epa-07code-eng.htm



Employment in the **services-producing sectors**** bottomed out in June of 2011 at 268,300; since then, employment has grown by 2.8%, adding 7,600 jobs to these sectors. As of September 2011 there were 276,400 people employed in these sectors.

** The service-producing sectors include all North American Industry Classification System (NAICS) sectors from 41-91.

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THE INDUSTRY REPORT—con't

The five sectors registering the largest employment growth are:

Business, building and other support services

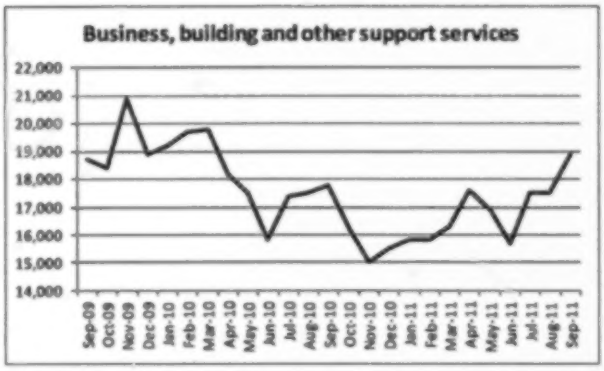
- Current employment level (as of September 2011): **18,300**
- Record employment level (August 2005): **23,000**
- Employment in the *Business, building and other support services sector* bottomed out in November 2010 at 15,000; since then, employment has grown by 26.0%, adding 3,900 jobs to the sector.

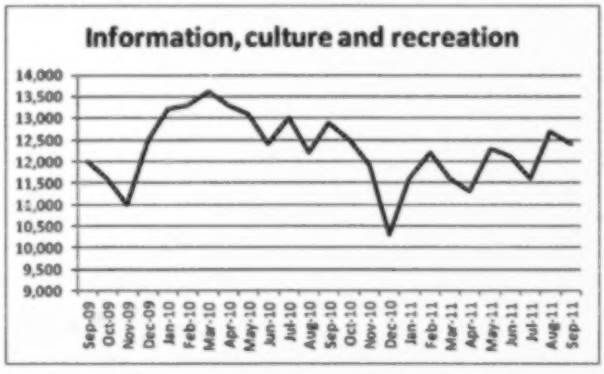
Information, culture and recreation

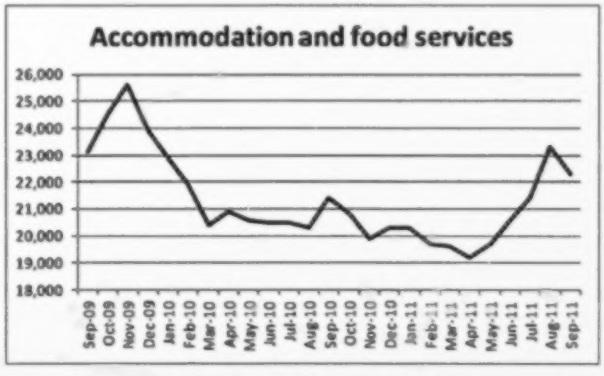
- Current employment level (as of September 2011): **12.400**
- Record employment level (September 1999): **15,300**
- Employment in the *Information, culture and recreation sector* bottomed out in December 2011 at 10,300; since then, employment has grown by 20.4%, adding 2,100 jobs to the sector.

Accommodation and food services

- Current employment level (as of September 2011): **22,300**
- Record employment level (May 2006): **26,500**
- Employment in the *Accommodation and food services sector* bottomed out in April 2011 at 19,200; since then, employment has grown by 16.1%, adding 3,100 jobs to the sector.







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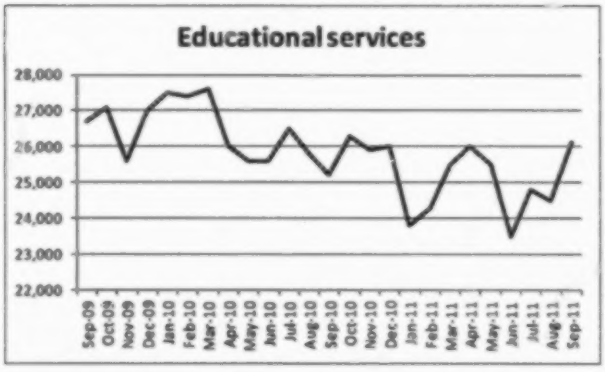

Educational services

- Current employment level (as of September 2011): **26,100**
- Record employment level (June 2007): **28,100**
- Employment in the *Educational services sector* bottomed out in June 2011 at 23,500; since then, employment has grown by 11.1%, adding 2,600 jobs to the sector.

Retail and wholesale trade

- Current employment level (as of September 2011): **55,600**
- Record employment level (August 2005): **60,100**
- Employment in the *Retail and wholesale trade sector* bottomed out in February 2011 at 50,300; since then, employment has grown by 10.5%, adding 5,300 jobs.

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THE INDUSTRY REPORT—con't

The five sectors registering the largest employment losses are:

Agriculture

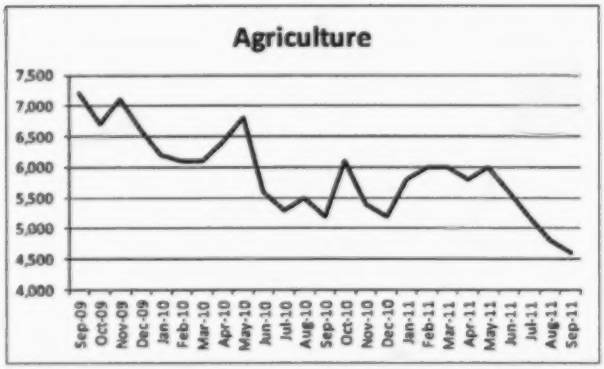
- Current employment level (as of September 2011): **4,600**
- Record employment level (July 2005): **7,800**
- The most recent peak in employment in the *Agriculture sector* was in May 2011; since then, employment has declined by 23.3%, losing 1,400 jobs from this sector.

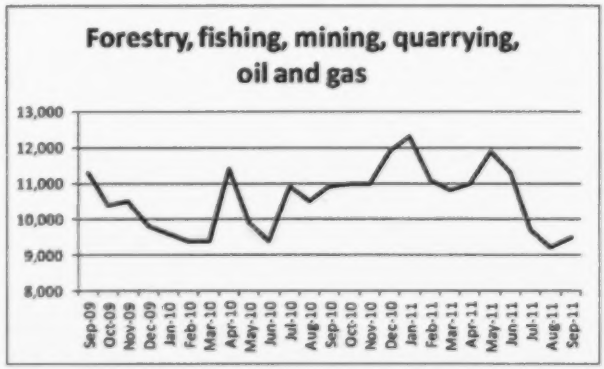
Forestry, fishing, mining, oil and gas

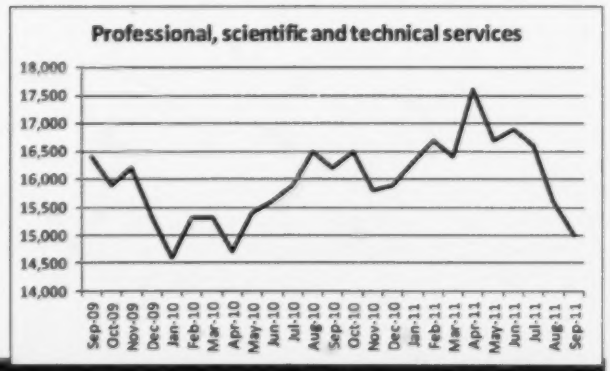
- Current employment level (as of September 2011): **9,500**
- Record employment level (December 1994): **14,600**
- The most recent peak in employment in the *Forestry, fishing, mining, oil and gas sector* was in January 2011, at 12,300; since then, employment has declined by 22.8%, losing 2,800 jobs from this sector.

Professional, scientific and technical services

- Current employment level (as of September 2011): **15,000**
- Record employment level (March 2008): **18,200**
- The most recent peak in employment in the *Professional, scientific and technical services sector* was in April 2011 at 17,600; since then, employment has declined by 14.8%, losing 2,600 jobs from this sector.







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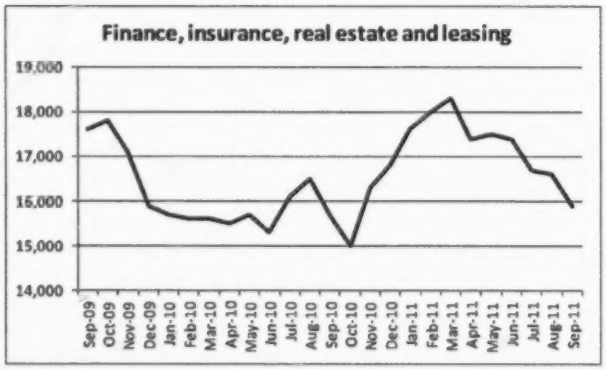
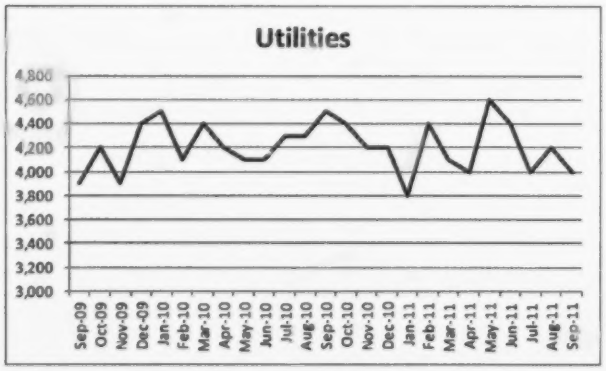


Finance, insurance, real estate and leasing

- Current employment level (as of September 2011): **15,900**
- Record employment level (March 2011): **18,300**
- The most recent peak in employment in the *Finance, insurance, real estate and leasing sector* was in February 2011 at 18,300; since then, employment has declined by 13.1%, losing 2,400 jobs in this sector.



Utilities

- Current employment level (as of September 2011): **4,000**
- Record employment level (July 2008): **5,500**
- The most recent peak in employment in the *Utilities sector* was in May of 2011 at 4,600; since then, employment has declined by 13.0%, losing 600 jobs in this sector.

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